

## BrokerCheck Report

# FIRST INTERNET SECURITIES NETWORK

CRD# 18498

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When communicating online or investing with any professional, make sure you know who you're dealing with. [Imposters](#) might link to sites like BrokerCheck from [phishing](#) or similar scam websites, or through [social media](#), trying to steal your personal information or your money.

Please contact FINRA with any concerns.

## About BrokerCheck®



BrokerCheck offers information on all current, and many former, registered securities brokers, and all current and former registered securities firms. FINRA strongly encourages investors to use BrokerCheck to check the background of securities brokers and brokerage firms before deciding to conduct, or continue to conduct, business with them.

- **What is included in a BrokerCheck report?**

- BrokerCheck reports for individual brokers include information such as employment history, professional qualifications, disciplinary actions, criminal convictions, civil judgments and arbitration awards. BrokerCheck reports for brokerage firms include information on a firm's profile, history, and operations, as well as many of the same disclosure events mentioned above.

- Please note that the information contained in a BrokerCheck report may include pending actions or allegations that may be contested, unresolved or unproven. In the end, these actions or allegations may be resolved in favor of the broker or brokerage firm, or concluded through a negotiated settlement with no admission or finding of wrongdoing.

- **Where did this information come from?**

- The information contained in BrokerCheck comes from FINRA's Central Registration Depository, or CRD® and is a combination of:
  - information FINRA and/or the Securities and Exchange Commission (SEC) require brokers and brokerage firms to submit as part of the registration and licensing process, and
  - information that regulators report regarding disciplinary actions or allegations against firms or brokers.

- **How current is this information?**

- Generally, active brokerage firms and brokers are required to update their professional and disciplinary information in CRD within 30 days. Under most circumstances, information reported by brokerage firms, brokers and regulators is available in BrokerCheck the next business day.

- **What if I want to check the background of an investment adviser firm or investment adviser representative?**

- To check the background of an investment adviser firm or representative, you can search for the firm or individual in BrokerCheck. If your search is successful, click on the link provided to view the available licensing and registration information in the SEC's Investment Adviser Public Disclosure (IAPD) website at <https://www.adviserinfo.sec.gov>. In the alternative, you may search the IAPD website directly or contact your state securities regulator at <http://www.finra.org/Investors/ToolsCalculators/BrokerCheck/P455414>.

- **Are there other resources I can use to check the background of investment professionals?**

- FINRA recommends that you learn as much as possible about an investment professional before deciding to work with them. Your state securities regulator can help you research brokers and investment adviser representatives doing business in your state.

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**Thank you for using FINRA BrokerCheck.**



Using this site/information means that you accept the FINRA BrokerCheck Terms and Conditions. A complete list of Terms and Conditions can be found at [brokercheck.finra.org](http://brokercheck.finra.org)



For additional information about the contents of this report, please refer to the User Guidance or [www.finra.org/brokercheck](http://www.finra.org/brokercheck). It provides a glossary of terms and a list of frequently asked questions, as well as additional resources. [For more information about FINRA, visit www.finra.org.](http://www.finra.org)



**FIRST INTERNET SECURITIES NETWORK**

CRD# 18498

SEC# 8-36804

**Main Office Location**

4800 MONTGOMERY LANE  
BETHESDA, MD 20814

**Mailing Address**

4800 MONTGOMERY LANE  
BETHESDA, MD 20814

**Business Telephone Number**

240-497-0400

Report Summary for this Firm

This report summary provides an overview of the brokerage firm. Additional information for this firm can be found in the detailed report.

**Firm Profile**

This firm is classified as a corporation.  
This firm was formed in District of Columbia on 02/15/1984.  
Its fiscal year ends in December.

**Firm History**

Information relating to the brokerage firm's history such as other business names and successions (e.g., mergers, acquisitions) can be found in the detailed report.

**Firm Operations**

This brokerage firm is no longer registered with FINRA or a national securities exchange.

**Disclosure Events**

Brokerage firms are required to disclose certain criminal matters, regulatory actions, civil judicial proceedings and financial matters in which the firm or one of its control affiliates has been involved.

Are there events disclosed about this firm? **Yes**

**The following types of disclosures have been reported:**

Type	Count
Regulatory Event	5

## Registration Withdrawal Information

This section provides information relating to the date the brokerage firm ceased doing business and the firm's financial obligations to customers or other brokerage firms.



**Date firm ceased business:** 06/29/2012

**Does this brokerage firm owe any money or securities to any customer or brokerage firm?** No



## Firm Profile

This firm is classified as a corporation.

This firm was formed in District of Columbia on 02/15/1984.

Its fiscal year ends in December.

## Firm Names and Locations

This section provides the brokerage firm's full legal name, "Doing Business As" name, business and mailing addresses, telephone number, and any alternate name by which the firm conducts business and where such name is used.

### **FISN, INC.**

**Doing business as FIRST INTERNET SECURITIES NETWORK**

**CRD#** 18498

**SEC#** 8-36804

### **Main Office Location**

4800 MONTGOMERY LANE  
BETHESDA, MD 20814

### **Mailing Address**

4800 MONTGOMERY LANE  
BETHESDA, MD 20814

### **Business Telephone Number**

240-497-0400



## Firm Profile

This section provides information relating to all direct owners and executive officers of the brokerage firm.

### Direct Owners and Executive Officers

**Legal Name & CRD# (if any):** COAN, MARY SOTAK  
1578908

**Is this a domestic or foreign entity or an individual?** Individual

**Position** STOCKHOLDER & DIRECTOR

**Position Start Date** 02/1984

**Percentage of Ownership** 25% but less than 50%

**Does this owner direct the management or policies of the firm?** Yes

**Is this a public reporting company?** No

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**Legal Name & CRD# (if any):** COAN, THOMAS MARTIN

**Is this a domestic or foreign entity or an individual?** Individual

**Position** CHIEF COMPLIANCE OFFICER

**Position Start Date** 11/2004

**Percentage of Ownership** 25% but less than 50%

**Does this owner direct the management or policies of the firm?** Yes

**Is this a public reporting company?** No

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**Legal Name & CRD# (if any):** COAN, THOMAS MARTIN  
1126704

**Is this a domestic or foreign entity or an individual?** Individual

**Position** PRESIDENT

**Position Start Date** 02/1984

## Firm Profile



### Direct Owners and Executive Officers (continued)

**Percentage of Ownership** 25% but less than 50%

**Does this owner direct the management or policies of the firm?** Yes

**Is this a public reporting company?** No

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**Legal Name & CRD# (if any):** SHOEMAKER, ROSANNE SOTAK  
1578911

**Is this a domestic or foreign entity or an individual?** Individual

**Position** VICE PRESIDENT

**Position Start Date** 02/1984

**Percentage of Ownership** 5% but less than 10%

**Does this owner direct the management or policies of the firm?** No

**Is this a public reporting company?** No

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**Legal Name & CRD# (if any):** COAN, CARL AUGUSTUS SCHARFE JR  
1578913

**Is this a domestic or foreign entity or an individual?** Individual

**Position** SECRETARY

**Position Start Date** 02/1984

**Percentage of Ownership** Less than 5%

**Does this owner direct the management or policies of the firm?** No

**Is this a public reporting company?** No

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## Firm Profile

This section provides information relating to any indirect owners of the brokerage firm.

## Indirect Owners

No information reported.





## Firm History

This section provides information relating to any successions (e.g., mergers, acquisitions) involving the firm.

No information reported.



## Firm Operations



### Registrations

This section provides information about the regulators (Securities and Exchange Commission (SEC), self-regulatory organizations (SROs), and U.S. states and territories) with which the brokerage firm is currently registered and licensed, the date the license became effective, and certain information about the firm's SEC registration.

**This firm is no longer registered.**

**The firm's registration was from 05/12/1987 to 08/30/2012.**



Firm Operations

Types of Business

This section provides the types of business, including non-securities business, the brokerage firm is engaged in or expects to be engaged in.

**This firm currently conducts 8 types of businesses.**

Types of Business

Broker or dealer retailing corporate equity securities over-the-counter
Broker or dealer selling corporate debt securities
Underwriter or selling group participant (corporate securities other than mutual funds)
Mutual fund retailer
U S. government securities dealer
U S. government securities broker
Municipal securities broker
Trading securities for own account

Other Types of Business

This firm does not effect transactions in commodities, commodity futures, or commodity options.

This firm does engage in other non-securities business.

Non-Securities Business Description: 13B. FISN, INC., CURRENTLY PROVIDES ADVICE AND SERVICES TO CLIENTS IN REGARD TO THE SELECTION OF FEDERALLY INSURED CERTIFICATES OF DEPOSIT. THIS SERVICE IS DELIVERED BY A NON-SECURITIES DIVISION.

## Firm Operations



### Clearing Arrangements

This firm does not hold or maintain funds or securities or provide clearing services for other broker-dealer(s).

### Introducing Arrangements

This firm does refer or introduce customers to other brokers and dealers.

<b>Name:</b>	NATIONAL FINANCIAL SERVICES CORPORATION
<b>CRD #:</b>	13041
<b>Business Address:</b>	82 DEVONSHIRE STREET BOSTON, MA 02109
<b>Effective Date:</b>	11/05/1993
<b>Description:</b>	NATIONAL FINANCIAL SERVICES CORPORATION CLEARS SECURITIES FOR FISN, INC. ON A FULLY DISCLOSED BASIS.

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## **Firm Operations**

### **Industry Arrangements**



**This firm does not have books or records maintained by a third party.**

**This firm does not have accounts, funds, or securities maintained by a third party.**

**This firm does not have customer accounts, funds, or securities maintained by a third party.**

#### **Control Persons/Financing**

**This firm does not have individuals who control its management or policies through agreement.**

**This firm does not have individuals who wholly or partly finance the firm's business.**



## Firm Operations

### Organization Affiliates

This section provides information on control relationships the firm has with other firms in the securities, investment advisory, or banking business.

**This firm is not, directly or indirectly:**

- in control of
  - controlled by
  - or under common control with
- the following partnerships, corporations, or other organizations engaged in the securities or investment advisory business.**

**This firm is not directly or indirectly, controlled by the following:**

- bank holding company
- national bank
- state member bank of the Federal Reserve System
- state non-member bank
- savings bank or association
- credit union
- or foreign bank

Disclosure Events



All firms registered to sell securities or provide investment advice are required to disclose regulatory actions, criminal or civil judicial proceedings, and certain financial matters in which the firm or one of its control affiliates has been involved. For your convenience, below is a matrix of the number and status of disclosure events involving this brokerage firm or one of its control affiliates. Further information regarding these events can be found in the subsequent pages of this report.

	Pending	Final	On Appeal
Regulatory Event	0	5	0

## Disclosure Event Details

### What you should know about reported disclosure events:

1. **BrokerCheck provides details for any disclosure event that was reported in CRD. It also includes summary information regarding FINRA arbitration awards in cases where the brokerage firm was named as a respondent.**
2. **Certain thresholds must be met before an event is reported to CRD, for example:**
  - A law enforcement agency must file formal charges before a brokerage firm is required to disclose a particular criminal event.
3. **Disclosure events in BrokerCheck reports come from different sources:**
  - Disclosure events for this brokerage firm were reported by the firm and/or regulators. When the firm and a regulator report information for the same event, both versions of the event will appear in the BrokerCheck report. The different versions will be separated by a solid line with the reporting source labeled.
4. **There are different statuses and dispositions for disclosure events:**
  - A disclosure event may have a status of *pending*, *on appeal*, or *final*.
    - A "pending" event involves allegations that have not been proven or formally adjudicated.
    - An event that is "on appeal" involves allegations that have been adjudicated but are currently being appealed.
    - A "final" event has been concluded and its resolution is not subject to change.
  - A final event generally has a disposition of *adjudicated*, *settled* or *otherwise resolved*.
    - An "adjudicated" matter includes a disposition by (1) a court of law in a criminal or civil matter, or (2) an administrative panel in an action brought by a regulator that is contested by the party charged with some alleged wrongdoing.
    - A "settled" matter generally involves an agreement by the parties to resolve the matter. Please note that firms may choose to settle customer disputes or regulatory matters for business or other reasons.
    - A "resolved" matter usually involves no payment to the customer and no finding of wrongdoing on the part of the individual broker. Such matters generally involve customer disputes.
5. **You may wish to contact the brokerage firm to obtain further information regarding any of the disclosure events contained in this BrokerCheck report.**

### Regulatory - Final

This type of disclosure event involves (1) a final, formal proceeding initiated by a regulatory authority (e.g., a state securities agency, self-regulatory organization, federal regulator such as the U.S. Securities and Exchange Commission, foreign financial regulatory body) for a violation of investment-related rules or regulations; or (2) a revocation or suspension of the authority of a brokerage firm or its control affiliate to act as an attorney, accountant or federal contractor.

### Disclosure 1 of 5

**Reporting Source:** Regulator

**Current Status:** Final



**Allegations:**

FINRA RULE 2010, NASD RULE 2210: FROM MARCH 2009 THROUGH MARCH 2011, THE FIRM'S WEBSITE CONTAINED MISLEADING INFORMATION RELATING TO THE FIRM AND THE PRODUCTS IT SOLD. THE FIRM'S WEBSITE FAILED TO COMPLY WITH NASD RULE 2210 IN SEVERAL WAYS. FROM MARCH 2009 THROUGH MARCH 2011, THE FIRM USED THE NAME FEDERALLY INSURED SAVINGS NETWORK IN CONNECTION WITH ITS BUSINESS. THAT NAME APPEARED AT THE TOP OF MOST PAGES OF THE FIRM'S WEBSITE AND IN EXPLANATORY TEXT DESCRIBING ITS BUSINESS. THE USE OF THE NAME FEDERALLY INSURED SAVINGS NETWORK, HOWEVER, SUGGESTED THAT THE FIRM WAS ITSELF FEDERALLY INSURED AND THAT THE PRODUCTS SOLD BY IT WERE FEDERALLY INSURED WHEN THEY WERE NOT. FROM MARCH 2009 THROUGH JUNE 2010, THE FIRM LISTED NUMEROUS TYPES OF FIXED-INCOME SECURITIES IN SEPARATE TABLES-SUCH AS CORPORATE AND GOVERNMENT DEBT SECURITIES-UNDER A WEBPAGE TAB LABELED CERTIFICATES OF DEPOSIT (CD) ALTERNATIVES. REFERRING TO THE VARIOUS TYPES OF DEBT SECURITIES USING THE PAGE TITLE OF CD ALTERNATIVES, HOWEVER, APPEARED TO SUGGEST THAT THESE INVESTMENTS HAD FEATURES AND RISKS COMPARABLE TO THE FEATURES AND RISKS OF CDS WHEN THEY DID NOT. THIRD, FROM MARCH 2009 UNTIL JUNE 2010, THE FIRM'S WEBSITE STATED THAT THE FIRM RESEARCHES CD FROM ACROSS THE NATION TO FIND THE SAFEST AND THE HIGHEST CD RATES. FROM JUNE 2010 THROUGH MARCH 2011, THE FIRM'S WEBSITE ALSO STATED THAT THE FIRM RESEARCHES CDS FROM ACROSS THE NATION TO FIND THE HIGHEST CD RATES FROM SAFE, FDIC INSURED INSTITUTIONS. IN ADDITION, THE FIRM'S WEBSITE STATED THAT THE FIRM RESEARCHES FDIC INSURED CDS, CD ALTERNATIVES AND BONDS FROM ACROSS THE NATION TO FIND THE BEST INVESTMENT OPPORTUNITIES THAT MEET CUSTOMER NEEDS FOR SAFETY AND YIELD AND THAT THE FIRM PUBLISHES DAILY THE BEST YIELDS AVAILABLE ONLINE ON ITS WEBSITE. THESE STATEMENTS SUGGESTED THAT THE RATES FOUND AND PUBLISHED BY THE FIRM WERE ACTUALLY THE SAFEST AND HIGHEST RATES AND BEST YIELDS AVAILABLE WHEN THEY MAY NOT HAVE BEEN. AS SUCH, THE FIRM'S STATEMENTS WERE UNWARRANTED AND LACKED A SOUND BASIS IN FACT. FROM MARCH 2009 TO NOVEMBER 2010, THE FIRM MADE AVAILABLE-BOTH IN HARD COPY AND THROUGH ITS WEBSITE-A BROCHURE TITLED FISN, INC. INVESTMENT MANAGEMENT. THE BROCHURE CONTAINED SEVERAL STATEMENTS THAT WERE UNWARRANTED AND LACKED A SOUND BASIS IN FACT REGARDING THE FIRM'S PRODUCTS AND SERVICES. FOR EXAMPLE, THE BROCHURE STATED THAT FIRST INTERNET SECURITIES NETWORK RESEARCHES ALL MARKET SOURCES FOR THE BEST AND SAFEST RETURN IN BONDS, STOCKS AND MUTUAL FUNDS. IN ADDITION, THE BROCHURE STATED IN THE SAME PARAGRAPH THAT THE FIRM FOCUSES THESE RESOURCES ON DELIVERING WHAT SUCCESSFUL INVESTMENT IS ALL ABOUT -THE



HIGHEST RETURN WITH THE LEAST RISK IN THE RIGHT AMOUNT AT THE RIGHT TIME.

**Initiated By:** FINRA

**Date Initiated:** 04/09/2012

**Docket/Case Number:** [2008012866001](#)

**Principal Product Type:** No Product

**Other Product Type(s):**

**Principal Sanction(s)/Relief Sought:** Other

**Other Sanction(s)/Relief Sought:** N/A

**Resolution:** Acceptance, Waiver & Consent(AWC)

**Resolution Date:** 04/09/2012

**Does the order constitute a final order based on violations of any laws or regulations that prohibit fraudulent, manipulative, or deceptive conduct?** No

**Sanctions Ordered:** Censure  
Monetary/Fine \$20,000.00

**Other Sanctions Ordered:** UNDERTAKINGS

**Sanction Details:** WITHOUT ADMITTING OR DENYING THE FINDINGS, THE FIRM CONSENTED TO THE DESCRIBED SANCTIONS AND TO THE ENTRY OF FINDINGS, THEREFORE THE FIRM IS CENSURED AND FINED \$20,000. THE FIRM AGREES TO THESE UNDERTAKINGS: NOT LATER THAN 30 CALENDAR DAYS AFTER NOTICE THAT THIS AWC HAS BEEN ACCEPTED, THE FIRM WILL DISCONTINUE ANY USE OF FEDERALLY INSURED SAVINGS NETWORK. TO THE EXTENT THAT THE FIRM MAKES ANY ADVERTISING OR SALES LITERATURE, INCLUDING THE FIRM'S WEBSITE AVAILABLE TO THE PUBLIC OR ANY CUSTOMER MORE THAN 30 CALENDAR DAYS AFTER NOTICE THAT THIS AWC HAS BEEN ACCEPTED, THE FIRM MUST FIRST SUBMIT SUCH MATERIAL TO FINRA FOR REVIEW. ANY ADVERTISING OR SALES LITERATURE NOT SUBMITTED TO FINRA FOR REVIEW PRIOR THE 30TH CALENDAR DAY AFTER NOTICE THAT THIS AWC HAS BEEN ACCEPTED, MUST BE REMOVED FROM THE WEBSITE OR OTHERWISE MADE UNAVAILABLE TO THE PUBLIC OR ANY CUSTOMER UNTIL AFTER IT HAS BEEN SUBMITTED TO FINRA FOR REVIEW. THE FIRM AGREES THAT, UPON



RECEIPT OF COMMENTS FROM FINRA ON ANY OF THE FILED MATERIALS, UNLESS NOTIFIED OTHERWISE BY FINRA, THE FIRM SHALL TAKE ALL REASONABLE STEPS TO WITHHOLD OR CAUSE TO BE WITHHELD SUCH MATERIAL FROM FURTHER PUBLICATION UNTIL THE CHANGES SPECIFIED BY FINRA HAVE BEEN MADE, AND SUCH MATERIAL WILL BE REVISED AND RE-FILED PRIOR TO ANY USE, UNLESS OTHERWISE AGREED TO BY FINRA. THE REQUIREMENTS SHALL REMAIN IN EFFECT FOR ONE YEAR FOLLOWING NOTICE THAT THIS AWC HAS BEEN ACCEPTED. UNLESS THE FIRM FILES A UNIFORM REQUEST FOR BROKER-DEALER WITHDRAWAL (FORM BDW) WITHIN 30 CALENDAR DAYS AFTER NOTICE THAT THIS AWC HAS BEEN ACCEPTED, THE FIRM MUST FILE AN AMENDMENT TO ITS UNIFORM APPLICATION FOR BROKER-DEALER REGISTRATION (FORM BD) TO DELETE ALL REFERENCES TO FEDERALLY INSURED SAVINGS NETWORK. FINE PAID IN FULL ON MAY 3, 2012.

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<b>Reporting Source:</b>	Firm
<b>Current Status:</b>	Final
<b>Allegations:</b>	THE FIRM VIOLATED NASD RULE 2210 AND FINRA RULE 2010 IN THE USE OF THE TRADE NAME OF FEDERALLY INSURED SAVINGS NETWORK, IN A BROCHURE AND ON A WEBSITE. THE NAME SUGGESTED THE FIRM ITSELF AND THE NON-CD PRODUCTS IT SOLD WERE FEDERALLY INSURED WHEN THEY WERE NOT. THE BROCHURE INCLUDED SOME STATEMENTS THAT WERE UNWARRANTED AND LACKED A SOUND BASIS IN FACT REGARDING PRODUCTS AND SERVICES. THE WEBSITE INCLUDED SOME STATEMENTS THAT WERE UNWARRANTED AND LACKED A SOUND BASIS IN FACT.
<b>Initiated By:</b>	FINANCIAL INDUSTRY REGULATORY AUTHORITY (FINRA)
<b>Date Initiated:</b>	08/13/2009
<b>Docket/Case Number:</b>	<a href="#">2008012866001</a>
<b>Principal Product Type:</b>	CD(s)
<b>Other Product Type(s):</b>	CORPORATE & GOVERNMENT DEBT SECURITIES
<b>Principal Sanction(s)/Relief Sought:</b>	Censure
<b>Other Sanction(s)/Relief Sought:</b>	FINE AND WEBSITE ADVERTISING REVIEW BY FINRA DEPARTMENT OF ADVERTISING REGULATUION.
<b>Resolution:</b>	Acceptance, Waiver & Consent(AWC)
<b>Resolution Date:</b>	04/09/2012
<b>Sanctions Ordered:</b>	Censure



Monetary/Fine \$20,000.00

**Other Sanctions Ordered:**

THE FIRM MUST DISCONTINUE THE USE OF THE TRADE NAME OF "FEDERALLY INSURED SAVINGS NETWORK". THE FIRM MUST AMEND THE OTHER BUSINESS SECTION OF THE FORM BD TO DELETE ALL REFERENCES TO THE TRADE NAME "FEDERALLY INSURED SAVINGS NETWORK". THE FIRM MUST SUBMIT ITS WEBSITE WITHIN 30 DAYS TO FINRA FOR REVIEW BY THE FINRA DEPARTMENT OF ADVERTISING IF THE WEBSITE IS TO BE AVAILABLE TO THE PUBLIC. ADVERTISING CHANGES SPECIFIED BY FINRA MUST BE MADE AND RE-FILED. ADVERTISING AND SALES LITERATURE MUST BE SUBMITTED TO FINRA FOR REVIEW FOR A ONE YEAR PERIOD.

**Sanction Details:**

A FINE OF \$20,000 WAS IMPOSED.THE FINE WAS AUTHORIZED FOR PAYMENT ON APRIL 26, 2012.

**Firm Statement**

THE FIRM ACCEPTS AND CONSENTS, WITHOUT ADMITTING OR DENYING THE FINDINGS. THE FIRM HAS USED THE NAME OF FEDERALLY INSURED SAVINGS NETWORK SINCE 1983.THE FIRM WILL STOP THE USE OF THE NAME. THE FIRM HAD USED THE BROCHURE FROM MARCH 2009 TO NOVEMBER 2010.THE FIRM NO LONGER USES THE BROCHURE. THE FIRM PUBLISHED THE WEBSITE FROM MARCH 2009 TO MARCH 2011 WITH VIOLATIONS. THE WEBSITE REMAINS IN USE AND ONLINE WITHOUT APPARENT VIOLATIONS PENDING THE REVIEW.

**Disclosure 2 of 5**

**Reporting Source:**

Regulator

**Current Status:**

Final

**Allegations:**

NASD RULES 2110, 2440, INTERPRETATIVE MATERIAL-2440-1 AND INTERPRETATIVE MATERIAL-2440-2: DURING THE REVIEW PERIOD, IN SEVEN TRANSACTIONS, THE FIRM BOUGHT OR SOLD CORPORATE BONDS FROM OR TO CUSTOMERS AND FAILED TO BUY OR SELL SUCH BONDS AT A PRICE THAT WAS FAIR, TAKING INTO CONSIDERATION ALL RELEVANT CIRCUMSTANCES, INCLUDING MARKET CONDITIONS WITH RESPECT TO EACH BOND AT THE TIME OF THE TRANSACTION, THE EXPENSE INVOLVED AND THAT THE FIRM WAS ENTITLED TO A PROFIT.

**Initiated By:**

FINRA

**Date Initiated:**

08/25/2011

**Docket/Case Number:**

[2009017410701](#)

**Principal Product Type:**

Debt - Corporate

**Other Product Type(s):**



<b>Principal Sanction(s)/Relief Sought:</b>	Other
<b>Other Sanction(s)/Relief Sought:</b>	N/A
<b>Resolution:</b>	Acceptance, Waiver & Consent(AWC)
<b>Resolution Date:</b>	08/25/2011
<b>Does the order constitute a final order based on violations of any laws or regulations that prohibit fraudulent, manipulative, or deceptive conduct?</b>	No
<b>Sanctions Ordered:</b>	Censure Monetary/Fine \$10,000.00
<b>Other Sanctions Ordered:</b>	
<b>Sanction Details:</b>	WITHOUT ADMITTING OR DENYING THE FINDINGS, THE FIRM CONSENTED TO THE DESCRIBED SANCTIONS AND TO THE ENTRY OF FINDINGS, THEREFORE THE FIRM IS CENSURED AND FINED \$10,000.
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<b>Reporting Source:</b>	Firm
<b>Current Status:</b>	Final
<b>Allegations:</b>	FINRA CONDUCTED A REVIEW OF ALL CORPORATE BOND TRADES FOR THE 4TH QUARTER OF 2008. IT WAS ALLEGED THAT THE FIRM FAILED TO BUY OR SELL SEVEN (7) BONDS AT A PRICE THAT WAS FAIR, TAKING INTO CONSIDERATION ALL RELEVANT CIRCUMSTANCES, INCLUDING MARKET CONDITIONS, THE EXPENSE INVOLVED AND THAT THE FIRM WAS ENTITLED TO A PROFIT.
<b>Initiated By:</b>	FINANCIAL INDUSTRY REGULATORY AUTHORITY (FINRA)
<b>Date Initiated:</b>	08/04/2009
<b>Docket/Case Number:</b>	20090174107-01
<b>Principal Product Type:</b>	Debt - Corporate
<b>Other Product Type(s):</b>	
<b>Principal Sanction(s)/Relief Sought:</b>	Censure



<b>Other Sanction(s)/Relief Sought:</b>	FINE
<b>Resolution:</b>	Acceptance, Waiver & Consent(AWC)
<b>Resolution Date:</b>	08/25/2011
<b>Sanctions Ordered:</b>	Censure Monetary/Fine \$10,000.00
<b>Other Sanctions Ordered:</b>	
<b>Sanction Details:</b>	FINE OF \$10,000 WAS IMPOSED.
<b>Firm Statement</b>	THE FIRM ACCEPTS AND CONSENTS, WITHOUT ADMITTING OR DENYING THE FINDINGS. THE FIRM ACTING AS PRINCIPAL BOUGHT OR SOLD THE SEVEN BONDS FROM OR TO ITS CUSTOMER AS INDICATED.

#### Disclosure 3 of 5

<b>Reporting Source:</b>	Regulator
<b>Current Status:</b>	Final
<b>Allegations:</b>	SEC RULE 17A-3, NASD RULES 3110, 6230(A), 6230(C)(8) - FIRST INTERNET SECURITIES NETWORK FAILED TO RECORD THE CORRECT TIME OF TRADE EXECUTION FOR TRANSACTIONS IN TRADE REPORTING AND COMPLIANCE ENGINE (TRACE)-ELIGIBLE SECURITIES RESULTING IN THE FIRM FAILING TO REPORT TO TRACE TRANSACTIONS WITHIN 15 MINUTES OF THE TIME OF EXECUTION; FAILING TO REPORT TO TRACE THE CORRECT TIME OF TRADE EXECUTION; AND FAILING TO SHOW THE CORRECT TIME OF EXECUTION ON BROKERAGE ORDER MEMORANDA.
<b>Initiated By:</b>	FINRA
<b>Date Initiated:</b>	12/01/2008
<b>Docket/Case Number:</b>	2007008748801
<b>Principal Product Type:</b>	Other
<b>Other Product Type(s):</b>	TRACE-ELIGIBLE SECURITIES
<b>Principal Sanction(s)/Relief Sought:</b>	
<b>Other Sanction(s)/Relief Sought:</b>	
<b>Resolution:</b>	Acceptance, Waiver & Consent(AWC)
<b>Resolution Date:</b>	12/01/2008



<b>Does the order constitute a final order based on violations of any laws or regulations that prohibit fraudulent, manipulative, or deceptive conduct?</b>	No
<b>Sanctions Ordered:</b>	Censure Monetary/Fine \$7,000.00
<b>Other Sanctions Ordered:</b>	
<b>Sanction Details:</b>	WITHOUT ADMITTING OR DENYING THE FINDINGS, THE FIRM CONSENTED TO THE DESCRIBED SANCTIONS AND TO THE ENTRY OF FINDINGS; THEREFORE THE FIRM IS CENSURED AND FINED \$7,000.
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<b>Reporting Source:</b>	Firm
<b>Current Status:</b>	Final
<b>Allegations:</b>	FINRA CONDUCTED A REVIEW OF CORPORATE BOND TRADE REPORTING AND COMPLIANCE ENGINE (TRACE) REPORTING FOR 1ST QT, 2007. IT WAS ALLEGED THAT THE FIRM FAILED TO PROPERLY RECORD AND REPORT WITHIN 15 MINUTES THE CORRECT TIME OF TRADE EXECUTION FOR 33 CORPORATE BOND TRANSACTIONS OUT OF A TOTAL 207 ELIGIBLE INTERDEALER TRADES DURING THE QUARTER.
<b>Initiated By:</b>	FINANCIAL INDUSTRY REGULATORY AUTHORITY (FINRA)
<b>Date Initiated:</b>	04/23/2007
<b>Docket/Case Number:</b>	REVIEW NO. 20070087488-01
<b>Principal Product Type:</b>	Debt - Corporate
<b>Other Product Type(s):</b>	
<b>Principal Sanction(s)/Relief Sought:</b>	Civil and Administrative Penalt(ies) /Fine(s)
<b>Other Sanction(s)/Relief Sought:</b>	
<b>Resolution:</b>	Acceptance, Waiver & Consent(AWC)
<b>Resolution Date:</b>	12/01/2008
<b>Sanctions Ordered:</b>	Censure Monetary/Fine \$7,000.00
<b>Other Sanctions Ordered:</b>	



**Sanction Details:** WITHOUT ADMITTING OR DENYING THE FINDINGS, THE FIRM CONSENTED TO THE DESCRIBED SANCTIONS AND TO THE ENTRY OF FINDINGS; THEREFORE THE FIRM IS CENSURED AND FINED \$7,000.00

**Firm Statement** THE FIRM AUTHORIZED PAYMENT OF THE \$7,000 FINE ON DEC. 12, 2008.  
THE FIRM ACCEPTS AND CONSENTS, WITHOUT ADMITTING OR DENYING THE FOLLOWING FINDINGS. IN 2007 THE FIRM FAILED TO REPORT 33 TRANSACTIONS WITHIN 15 MINUTES; THE FIRM FAILED TO REPORT THE CORRECT TIME OF EXECUTION FOR THE SAME 33 TRANSACTIONS; AND THE FIRM FAILED TO SHOW THE CORRECT TIME STAMP OF EXECUTION ON TRADE TICKETS FOR 33 TRANSACTIONS.

#### Disclosure 4 of 5

**Reporting Source:** Regulator

**Current Status:** Final

**Allegations:** RESPONDENT FISN, INC. HAS ALLEGEDLY TRANSACTED BUSINESS IN MINNESOTA AS A BROKER-DEALER WITHOUT BEING LICENSED IN VIOLATION OF MINN. STAT. CH. 80A.04 (1998).

**Initiated By:** MINNESOTA DEPARTMENT OF COMMERCE

**Date Initiated:** 01/31/2000

**Docket/Case Number:** SE9908495

**URL for Regulatory Action:**

**Principal Product Type:** No Product

**Other Product Type(s):**

**Principal Sanction(s)/Relief Sought:** Cease and Desist

**Other Sanction(s)/Relief Sought:**

**Resolution:** Consent

**Resolution Date:** 01/31/2000

**Sanctions Ordered:** Cease and Desist/Injunction

**Other Sanctions Ordered:**

**Sanction Details:** RESPONDENT HAS AGREED TO INFORMAL DISPOSITION OF THIS MATTER WITHOUT A HEARING AS PROVIDED UNDER MINN. STAT. CH. 14.59 (1998) AND MINN. RULE 1400.5900 (1997). IT IS ORDERED THAT RESPONDENT





FISN, INC. SHALL CEASE AND DESIST FROM OFFERING OR SELLING IN THE STATE OF MINNESOTA ANY SECURITIES UNTIL COMPLIANCE WITH MINN. STAT. CH. 80A. HAS BEEN ACHIEVED. IT IS FURTHER ORDERED THAT RESPONDENT SHALL PAY A CIVIL PENALTY OF \$1,000 TO THE STATE OF MINNESOTA. UPON COMPLETION OF THE TERMS HEREIN, NOTHING CONTAINED IN THIS ORDER SHALL PREVENT RESPONDENT FROM BECOMING LICENSED AS A SECURITIES BROKER-DEALER IN MINNESOTA.

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<b>Reporting Source:</b>	Firm
<b>Current Status:</b>	Final
<b>Allegations:</b>	THE FIRM WAS A NASD REGISTERED BROKER DEALER THAT ALLEGEDLY TRANSACTED BUSINESS IN MINNESOTA AS A BROKER-DEALER WITHOUT BEING LICENSED IN VIOLATION OF MINN. STAT. CH. 80A.04 (1998).
<b>Initiated By:</b>	STATE OF MINNESOTA DEPARTMENT OF COMMERCE
<b>Date Initiated:</b>	01/31/2000
<b>Docket/Case Number:</b>	SE9908495
<b>Principal Product Type:</b>	No Product
<b>Other Product Type(s):</b>	
<b>Principal Sanction(s)/Relief Sought:</b>	Cease and Desist
<b>Other Sanction(s)/Relief Sought:</b>	
<b>Resolution:</b>	Consent
<b>Resolution Date:</b>	01/31/2000
<b>Sanctions Ordered:</b>	Cease and Desist/Injunction
<b>Other Sanctions Ordered:</b>	
<b>Sanction Details:</b>	RESPONDENT FIRM HAS AGREED TO INFORMAL DISPOSITION OF THIS MATTER WITHOUT A HEARING AS PROVIDED UNDER MINN. STAT. CH. 14.59 (1998) AND MINN. RULE 1400.5900 (1997). IT IS ORDERED THAT THE FIRM SHALL CEASE AND DESIST FROM OFFERING OR SELLING IN THE STATE OF MINNESOTA ANY SECURITIES UNTIL COMPLIANCE WITH MINN. STAT. CH. 80A HAS BEEN ACHIEVED. IT IS FURTHER ORDERED THAT THE FIRM SHALL PAY A CIVIL PENALTY OF \$1,000 TO THE STATE OF MINNESOTA. UPON COMPLETION OF THE TERMS HEREIN, NOTHING CONTAINED IN THIS ORDER SHALL PREVENT THE FIRM FROM BECOMING LICENSED AS A SECURITIES BROKER-DEALER IN MINNESOTA.

**Firm Statement**

THE FIRM WAS A NASD REGISTERED BROKER DEALER. IT BELIEVED IT WAS EXEMPT FROM REGISTRATION IN MINNESOTA BECAUSE IT DEALT NEARLY EXCLUSIVELY IN EXEMPT PRODUCTS SUCH AS FDIC INSURED CERTIFICATES OF DEPOSIT AND GOVERNMENT AGENCY SECURITIES AND/OR A DE MINIMIS RULE APPLIED TO THE 8 CUSTOMERS AND FORTY TRANSACTIONS OVER THE PRIOR 4 YEAR PERIOD.

THE FIRM VOLUNTARILY DISCLOSED ALL MINNESOTA TRANSACTIONS WHILE REQUESTING MINNESOTA REGISTRATION. THE STATE ORDERED THAT THE FIRM CEASE OPERATIONS UNTIL IT BECAME REGISTERED. THE FIRM CONSENTED TO THE ORDER AND WAS PROMPTLY PERMITTED TO REGISTER IN MINNESOTA.

**Disclosure 5 of 5**

<b>Reporting Source:</b>	Regulator
<b>Current Status:</b>	Final
<b>Appealed To and Date Appeal Filed:</b>	N.A.
<b>Allegations:</b>	TRANSACTIONING BUSINESS AS AN UNREGISTERED BROKER-DEALER.
<b>Initiated By:</b>	VERMONT SECURITIES DIVISION
<b>Date Initiated:</b>	02/09/2000
<b>Docket/Case Number:</b>	00-009-S
<b>URL for Regulatory Action:</b>	
<b>Principal Product Type:</b>	Other
<b>Other Product Type(s):</b>	CERTIFICATES OF DEPOSIT. BONDS. MUTUAL FUND.
<b>Principal Sanction(s)/Relief Sought:</b>	Other
<b>Other Sanction(s)/Relief Sought:</b>	ADMINISTRATIVE FINE
<b>Resolution:</b>	Consent
<b>Resolution Date:</b>	02/09/2000
<b>Sanctions Ordered:</b>	Monetary/Fine \$1,100.00
<b>Other Sanctions Ordered:</b>	N.A.
<b>Sanction Details:</b>	ADMINISTRATIVE FINE \$1,100.
<b>Regulator Statement</b>	TRANSACTIONED BUSINESS AN AN UNREGISTERED BROKER-DEALER.



RESPONDENT ENTERED INTO A CONSENT ORDER AGREEING TO PAY FINE OF \$1,100. RESPONDENT WILL BE REGISTERED IN VERMONT.

<b>Reporting Source:</b>	Firm
<b>Current Status:</b>	Final
<b>Allegations:</b>	THE FIRM WAS A NASD REGISTERED BROKER DEALER THAT TRANSACTED BUSINESS IN STATE OF VERMONT PRIOR TO REGISTRATION IN VERMONT.
<b>Initiated By:</b>	STATE OF VERMONT SECURITIES DIVISION
<b>Date Initiated:</b>	02/09/2000
<b>Docket/Case Number:</b>	00-009-S
<b>Principal Product Type:</b>	Other
<b>Other Product Type(s):</b>	CERTIFICATES OF DEPOSIT, BONDS, MUTUAL FUND
<b>Principal Sanction(s)/Relief Sought:</b>	Other
<b>Other Sanction(s)/Relief Sought:</b>	ADMINISTRATIVE FINE
<b>Resolution:</b>	Consent
<b>Resolution Date:</b>	02/09/2000
<b>Sanctions Ordered:</b>	Monetary/Fine \$1,100.00
<b>Other Sanctions Ordered:</b>	N.A.
<b>Sanction Details:</b>	ADMINISTRATIVE FINE OF \$1000.00
<b>Firm Statement</b>	<p>THE FIRM WAS A NASD REGISTERED BROKER DEALER. IT BELIEVED IT WAS EXEMPT FROM REGISTRATION IN VERMONT BECAUSE IT DEALT NEARLY EXCLUSIVELY IN FDIC INSURED CERTIFICATES OF DEPOSIT AND/OR A DE MINIMIS RULE APPLIED TO THE 2 CUSTOMERS AND TEN TRANSACTIONS OVER THE PRIOR 2.5 YEAR PERIOD.</p> <p>THE FIRM VOLUNTARILY DISCLOSED ALL VERMONT TRANSACTIONS WHILE REQUESTING VERMONT REGISTRATION. THE STATE ORDERED THAT THE FIRM COMPLY WITH THE STATE SECURITIES ACT. THE FIRM CONSENTED TO THE ORDER AND WAS PROMPTLY PERMITTED TO REGISTER IN VERMONT.</p>

**End of Report**



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